

TERMS AND CONDITIONS OF APPOINTMENT OF INDEPENDENT
DIRECTORS

❖ **TERM OF APPOINTMENT**

The Term of Appointment shall be for an initial term of **5 (Five) Years** with effect from **30.09.2014 (or)** till such earlier date to conform with the policy on retirement and as may be determined by any applicable statutes, rules, regulations or guidelines and in pursuance to the Companies Act, 2013 and the Listing Agreement. You will not be liable to retire by rotation.

❖ **COMMITTEES**

You may be required to serve on one or more of the Committees of the Board (Existing or those which may be constituted in future) as may be decided by the Board from time to time. The existing Committees of the Board are Audit Committee, Stakeholders Relationship Committee and Nomination & Remuneration Committee. The role of those aforesaid Committees of the Board would be as may be determined by the Board of Directors of the Company, from time to time.

The Board of Directors of the Company may decide to constitute such other Committees of the Board as may be necessary for effective functioning of the Organization.

❖ **FUNCTIONS, DUTIES AND RESPONSIBILITIES:**

(a) **To review the Company's strategy, the annual financial budget/plan and monitor the Company's performance:**

The primary role of the members of the Board is to exercise their business judgment to act in what they believe to be the best interest of the Company and its shareholders. It is the duty of the Board to ensure that the Management performs with competence and values to achieve the objectives of the Company. Generally, the Board meets once a quarter. The quarterly meeting of the Board includes updates on the business, financial and business-enabler functions and discussions on such updates. The Audit Committee of the Board reviews the Company's financials and recommends the same to the Board for its acceptance. The Board monitors the Company's performance against its annual financial budget/plan at its quarterly meetings as well as at the end of the financial year.

(b) **To review management performance and compensation:**

The Nomination and Remuneration Committee of the Board evaluates the performance of the executive officers of the Company and recommends their compensation for the ensuing year to the Board. Such compensation may include stocks, options and variable pay.

(c) To review and decide on succession planning of executive officers of the

Company:

The role of the Nominations and Governance Committee of the Board is to work with the Board to develop an orderly plan for the succession of leadership of the Board and the executive officers of Company. The committee develops contingency plans for succession in the case of exigencies.

(d) To advice and counsel the Management:

The Board should be composed of individuals whose knowledge, background, experience and judgment are valuable to the Company. They should also be capable of providing advice to the executive officers of the Company. Members of the Board have full access to the Management (executive officers) and other employees as well as to the Company's records and documents. The Board may also seek legal or other expert advice from a source independent of the Management.

- a) The duties and liabilities that come with your appointment would be as per the applicable laws, the Articles of Association of the Company and **Sejal's Code of Conduct for Insider Trading.**
- b) As a member of the Board, you along with the other Directors will collectively be responsible for meeting the objectives of the Board, which presently include:

- requirements under the Act and the Rules thereunder;
 - responsibilities of the Board as outlined in Clause 49 of the Listing Agreement;
 - accountability under the Directors' Responsibility Statement;
 - overseeing the maintenance of high standards of the Company's values and ethical conduct of business;
 - overseeing the Company's contribution towards sustainability;
 - Protecting and enhancing the Brand 'SEJAL'.
- c) You will be expected to perform your fiduciary duties and exercise the skill and care expected of every Director. You will also abide by the Code for Independent Directors as outlined in Section 149 / Schedule IV of the Companies Act, 2013.

❖ **TIME COMMITMENT**

Considering the nature of the role of a Director, it is difficult for a company to lay down specific parameters on time commitment. You agree to devote such time as is prudent and necessary for the proper performance of your role, duties and responsibilities as an Independent Director. In addition to routine Board Meetings you should allow time for Committee Meetings, preparatory work and travel, and ensure that you are in a position to make the necessary overall time commitment.

❖ **REMUNERATION /SITTING FEES /REIMBURSEMENT OF EXPENSES**

The Remuneration payable to the Non-Executive Independent Directors (NEID) is approved by the Board of Directors at its meeting, from time to time. The Remuneration payable to the Non-Executive Independent Directors (NEID) is a fixed amount per year. Further, the Total Remuneration payable to the entire group of Non-Executive Independent Directors (NEID) shall not exceed 1.00% of the Net Profit of the Company for the year, calculated as per the provisions of the Companies Act, 2013.

- (a) You will be entitled to Sitting Fees for attending the Meetings of the Board of Directors of the Company and presently, the sitting fees determined by the Board of Directors is Rs. 10,000/- per meet for Board Meetings and Rs. 5,000/- per Meeting for Audit Committee Meetings. The Company will bear the expenses for your attending the meetings of the Board and Board Committees.
- (b) Further, the Company may pay or reimburse you such reasonable expenditure, as may be incurred by you, while performing your role as an Independent Director of the Company. This could include obtaining, subject to prior consultation with the Board, professional advice from independent advisors in the furtherance of your duties as an Independent Director.
- (c) Pursuant to the provisions of Companies Act, 2013 & the Listing Agreement with Stock Exchanges, you will not be entitled to any stock option.

❖ DEALING IN SHARES

Directors are prohibited from dealing in the Company's shares during the period when the Trading Window is closed. Further, directors, being designated officers of the Company for the purpose of insider trading guidelines, are required to obtain Pre-clearance for all Trades (buy/sell/gift) from the Company Secretary and the Compliance Officer of the Company. You are required to comply with the applicable insider trading laws and regulations.

❖ CODE OF CONDUCT

- (a) As an Independent Director of the Company, you agree to comply with the provisions of **Sejal's Code of Conduct for Insider Trading**, as adopted by the Board. You will also be required to affirm annually, compliance with the said Code of Conduct.
- (b) Unless specifically authorised by the Company, you will not disclose information in respect of the Company's affairs to the media, the financial community, the employees, the members, or to any other person. Your obligation of confidentiality shall survive the cessation of your directorship in the Company.
- (c) Your attention is also drawn to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and the Sejal's Code of Conduct for Insider Trading for Prevention of Insider Trading, prohibiting disclosure or use of Unpublished Price Sensitive Information (UPSI).

(d) You shall also not engage in any activity which might impede the application of your independent judgement in the best interest of the Company.

❖ **TRAINING**

Newly Appointed Directors would be entitled to the benefit of a Training Program to familiarize yourself with the business and affairs of the Company, growth plans, the peculiarities of the industry in which the Company operates, its goals and expectations and long term plans and objectives.

All directors are expected to remain current on how to best discharge their responsibilities as directors of the Company including keeping abreast of changes and trends in economic, political, social, financial and legal climates and governance practices. Additional Training Programmes would be finalised based on the specific requirements of the Independent Directors. The details of such familiarization programmes shall be disclosed on the company's website and a web link thereto shall also be given in the Annual Report.

❖ **PERFORMANCE EVALUATION PROCESS**

As a member of the Board, your performance as well as the performance of the entire Board and its Committees will be evaluated annually as may be required under the provisions of law. The "Criteria for Evaluation" will be determined by the Nomination & Remuneration Committee of the Board and will be disclosed in the Company's Annual Report as required under the Revised Clause 49 of the Listing Agreement.

The Broad “Criteria for Performance Evaluation” which may be used are as hereunder:

1. GROUP PERFORMANCE

The Nomination and Remuneration Committee shall sponsor and oversee an Annual performance evaluation of the Board to determine whether it is functioning effectively.

This evaluation focuses on the “Performance of the Board” as a whole, concentrating on areas where performance might be improved. The Board shall administer an Annual self-evaluation of the performance of the full Board and the Committees of the Board and reporting its conclusion and recommendation to the Board.

2. INDIVIDUAL PERFORMANCE

- time spent by each of the Directors and Contribution by a director,
- Commitment (including guidance provided to senior management outside of Board / Committee meetings),
- Effective deployment of core competencies and expertise,
- Effective management of relationship with stakeholders,
- Integrity and maintenance of confidentiality,
- Independence of behavior and judgment, and
- Impact and influence.

accomplishment of any specific responsibilities and expertise.

The Chairman of the Board shall communicate the results to each director. Such an evaluation process may also include self/peer evaluation of each director.

❖ **CONFLICT OF INTEREST**

(a) It is accepted and acknowledged that you may have business interests other than those of the Company. You are required to declare any such directorships, appointments and interests to the Board in writing in the prescribed form.

(b) During your term, you agree to promptly provide a declaration under Section 149(7) of the Act, upon any change in the circumstances which may affect your status as an Independent Director. Further, you also agree to confirm compliance with the said criteria of independence on a Financial yearly basis.

❖ **DISCLOSURE REQUIREMENTS**

As required under the revised Clause 49 of the Listing Agreement applicable from 01.10.2014, including such modifications as may be applicable from time to time (or) with effect from such additional time as may be provided by Securities and Exchange Board of India (SEBI), the terms and conditions of the appointment shall be disclosed on the website of the Company.

❖ **CONFIDENTIALITY**

You will have access to confidential information, whether or not the information is marked or designated as “Confidential” (or) “Proprietary”, relating to the Company and its business including legal, financial, technical, commercial, marketing and

business related records, data, documents, reports, etc., client information, intellectual property rights (including trade secrets), (“**Confidential Information**”).

You shall use reasonable efforts to keep such information confidential and to not disclose to any third party. If any Confidential Information is required to be disclosed by you in response to any summons or in connection with any litigation, or in order to comply with any applicable law, order, regulation or ruling, then any such disclosure should be, to the extent possible, with the prior consent of the Board.

